

South Dakota Risk Pool Governing Board and Advisory Panel
Governors Large Conference Room
Thursday May 17, 2007

The meeting of the South Dakota Risk Pool Board and Advisory Panel began at 10:00 am. The meeting began with a short welcome from Kevin Forsch introducing new members to the group. New Advisory Board members included Senator Jason Gant and Barb Smith with the South Dakota Medical Association. The new Governing Board Member is Dennis Studer with the Bureau of Personnel. Also new to the group is Jill Kruger, the state Risk Pool Manager.

Those in attendance included Governing Board members Chairman Kevin Forsch, Vice Chair Tom Martinec, Larry Iversen, Randy Moses, and Dennis Studer. Advisory Board Members in attendance were Dr. Mary Carpenter, Bob Clark, Senator Jason Gant, Lonnie McKittrick, Damian Prunty, Barb Smith, and Rick Stracqualursi. Others in attendance were Melissa Kusser, Sandy Zinter, Jill Kruger, Mary Keeler, and Christie Fischer.

The first item on the agenda was the public hearing in regards to changes in chapters 20:06:48. Melissa Kusser led the hearing advising the group changes had been made to the originally proposed rule due to form and style change suggestions through the Legislative Research Council. Kevin Forsch made a motion to approve the rules as amended with a second given by Tom Martinec. The motion passed unanimously.

After the close of the public hearing Chairman Forsch asked for a motion to approve the March 15, 2007 Governing Board Minutes. Iversen made a motion to approve and a second was given by Studer. The motion passed unanimously.

Jill Kruger then gave an overview of the Risk Pool Statistics along with the Rx Pharmacy Report. Chairman Forsch commented the number of 612 terminated on the report was a reminder the Risk Pool was being utilized by many as a stop gap measure for those who are without insurance for a short amount of time. It was requested the age group be broken down showing an age range of 61-64 and those 65 and older. Discussion arose on the amount of people who were no longer in disease management programs; the group believes this is because of the restructuring of HCMTI's disease management categories causing no concern for alarm.

The consensus was trend charts would be beneficial in giving an overall picture of where the risk pool is going and adding the number of denials to the statistics report as well.

Kruger spoke in regards to the Rx Pharmacy report and advised the group a trend chart was in the developmental stages in hopes to be available to the group at the next meeting.

Randy Moses then spoke to the proposed changes in the plan document. The first big change was in regards to fraud and biologically based mental illness. In light of the new Pharmacy Benefit Manager there was a lengthy discussion as to the following topics. How erectile dysfunction drugs, fertility drugs, and smoking cessation classes would be administered? The group consensus was to only pay for ED drugs when medically necessary and a pre-authorization would be required. Moses reminded the group the plan administrator has the discretion to make decisions if it is cost effective for the plan.

It was also decided the plan would not pay for pharmacy fertility agents, smoking cessation classes, drugs or other means to quit smoking. The group was comfortable with the decision knowing the state offers smoking cessation opportunities through the SD Department of Health Quit Line.

Discussion arose as to what is covered in terms of preventative care. Members reminded one another that only 9 members were not in a mandatory disease management program and believed each member was receiving necessary preventative care.

Moses made a motion to approve the plan document with the proposed changes and amendments. A second was given by Martinec and the motion passed unanimously.

Next item on the agenda was the new proposed FY08 premium rates. Moses advised the group Mercer Oliver and Wyman had now made adjustments to each age group versus an overall increase to each. Martinec made a motion to approve the rates and a second was given by Iversen. The motion passed unanimously.

After lunch Moses spoke to a situation occurring in the individual market. Currently a majority of the individual carriers are underwriting expectant fathers. Thus expectant fathers are being sent to the Risk Pool if they are HIPAA eligible.

Mary Keeler with the Bureau of Finance and Management gave a report on the Risk Pool Financial Condition Statement. Some members were asking about options of reinsurance available to the pool. DOI and BOP will look at options.

Dr. Carpenter asked to have the discounted fees added at the bottom of the condition statement with the new layout.

Moses made a motion to approve the condition statement and a second was given by Dennis Studer. The motion passed unanimously.

Next on the agenda, Kruger gave an update on SB 200. As of May 17, 2007 there were 27 approved applications, 6 pending, and 13 who had contacted the pool but were no longer eligible. The deadline for potential enrollees to apply is May 21, 2007.

The group began preliminary discussions on how we would look at future eligibles to put us at 132 members as the actuaries had indicated and subsequently approved by the governing board. Concerns arose on whether or not another actuarial analysis would need to be completed. Moses will be speaking with the actuaries in regards to this matter. DOI has begun to compile updated information from the carriers as to whether more individuals have become eligible under SB 200 due to rate increases.

Forsch then asked the group for additional business. Senator Gant was concerned about the Pools residency requirements. Members explained the rational of how our residency requirements were reached.

At approximately 2:00 pm Moses made a motion to adjourn and a second was given by Iversen.